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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/007,642	11/06/2001	Kevin C. Hutton	GOLDENH.006A	9965

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EXAMINER
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GOTTSCALK, MARTIN A

ART UNIT	PAPER NUMBER
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3626

DATE MAILED: 01/05/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

10/007,642

Applicant(s)

HUTTON ET AL.

Examiner

Martin A. Gottschalk

Art Unit

3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☐ Responsive to communication(s) filed on 11/06/2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on 06 November 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 05/03/02.
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_.

### DETAILED ACTION

1. Claims 1-12 have been examined.

#### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Clawson (US Pat# 610459) in view Barber et al (US Pat# 4858121, hereinafter Barber).

- A. As per claim 1, Clawson discloses an integrated emergency medical transportation database system and method (Clawson; col. 3, lines 31-34 and 65-67) comprising:

a database configured to store clinical encounter information, (Clawson; col. 4, lines 2-5); patient demographic data (Clawson; col. 7, lines 25-31); and transport information (Clawson; col. 4, line 62 through col. 5, line 3).

Art Unit: 3626

Clawson fails to expressly disclose

a billing modifier module which accesses a stored clinical encounter location and compares it to a list of geographic areas, and wherein the result is used in applying billing modifiers to medical charges associated with the medical emergency.

However, this feature is well known in the art, as evidenced by Barber. Barber discloses a system and method for medical payments which includes a patient billing program (Barber; FIG. 6 item 276). The system collects data associated with a plurality of objects, including physician identity (Barber; col. 6, lines 29-32), wherein a physician's office is considered by the Examiner to be a type of "clinical encounter location." The system further includes a ZIP code file (Barber; FIG. 1)--considered by the Examiner to constitute a "list of geographic areas"--for comparison to information entered in future transactions (Barber; col. 6, lines 12-13 and 33-38).

Furthermore, for the purpose of validation of physician identification, Barber teaches a comparison between newly incoming physician identification information, considered by the Examiner to include a ZIP code as part of the clinical encounter location, and data in a prerecorded physician's file (Barber; col. 6, lines 37-40). The examiner interprets part of the validation to include comparison of the ZIP codes in the clinical encounter location to the ZIP code file (e.g. a form of "list of geographical areas").

As per the application of billing modifiers, the system of Barber accommodates payments for portions of a total bill, wherein the system

Art Unit: 3626

determines the balance due and generates a modified bill based on provided modifiers (Barber; col. 3, line 60 through col. 4 line 6).

One having ordinary skill in the art at the time of the invention would have found it obvious to combine the billing features and the comparison of clinical encounter locations to a list of geographical areas as disclosed by Barber within the emergency medical database disclosed by Clawson. The motivations for this combination would have been to i) verify the accuracy of billing information with respect to physician identity (Barber: col 2, lines 3-6), and to ii) increase the speed of payment to physicians or other providers (Barber: col. 2, lines 32-36).

B. As per claim 2, in the discussion of claim 1 above it was noted that the use of a ZIP code file was disclosed by Barber, which is considered by the Examiner to be a form of "the list of geographic areas comprises a ZIP code list."

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

C. As per claim 3, Barber discloses the application of two or more billing modifiers. One of these is discussed above with respect to claim 1.

Another form of billing modifier is disclosed whereby a change to an individual line item is made. Data including the location where services were rendered is accessed from a claim file, and the site where the claim change originates is compared with this accessed information to verify that the change is authorized.

Art Unit: 3626

Once authorization is verified, the charges may be reduced or increased (Barber; col. 15, lines 39-57; FIG. 17).

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

D. As per claim 4, the patient billing program of Barber discloses another type of billing modifier, one of which is multiplicative. Claims can be billed to an insurance company under a "prompt payment" scenario (Barber; col. 7, lines 30-41 and lines 51-63; also FIG. 6, items 270 and 276). Prompt payment plans have long been well known to those of ordinary skill in the art, whereby if payment of a claim is made to a provider within a certain time period, the charges are either reduced by a certain percentage of the bill, or are not increased with a late charge. A payment made beyond this time period results in either the charges not being reduced, or in their increase by the addition of a penalty corresponding to a certain percentage of the bill. Reducing (penalizing) a charge involves multiplying the total bill by this certain percentage and subtracting (adding) the result from (to) the total bill. Thus the prompt payment bill modification feature described by Barber is considered by the Examiner to be multiplicative.

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

Art Unit: 3626

E. As per claim 5, in the rejection of claim 1 above, the validation taught by Barber requires a physician identification (considered to include a ZIP code) in order to apply the billing modifier; thus the Examiner considers the billing modifier to be based on a ZIP code. The term "metropolitan statistical area" is considered to read on ZIP code.

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

F. As per claim 6, following the discussion for claim 5, the Examiner takes official notice that it is old and well known that ZIP Codes are determined by the federal government.

G. As per claims 7 and 8, Barber's teachings with regard to the use of billing modifiers is as discussed above, and incorporated herein. Although Barber does not expressly teach a billing modifier based on a geographic practice cost index determined by the federal government per se, it is respectfully submitted that the geographic cost index developed by Medicare (e.g. a "federal government" program) is an industry standard used to modify reimbursement levels to providers based on cost differences between geographic areas. As such, it is respectfully submitted that the application of such a standard would have been obvious to one of ordinary skill in the art at the time of the invention with the

Art Unit: 3626

motivation of accommodating industry standards in ensuring uniform application of billing modifiers among various healthcare entities.

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

H. As per claim 9, the billing modifier taught by Barber discussed above for claim 4 provides a financial advantage in so far as the provider receives an extra penalty late fee from the payer when the bill is not paid promptly. This advantage holds true even when the provider happen to be a rural transportation provider.

In so far as Applicant provides no structural element specifically directed to the providing of a financial advantage to rural transportation providers in order to offset low volumes of work, it is respectfully submitted that this feature is merely a purported benefit of the claimed system, and thus, not a patentably distinct, structural difference over the applied prior art of Clawson & Barber. Note *In re Schreiber*, 128 F.3d 1473, 1477-78, 44 USPQ2d 1429,1431-32 (Fed. Cir. 1997).

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

I. As per claim 10, Barber discloses a medical billing system comprising a patient billing program in communication with the medical emergency database,



Art Unit: 3626

the patient billing program receiving data from the prompt payment billing modifier module (Barber; FIG 6, items 270 and 276; also see the discussions for claims 1 and 4 above).

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

J. As per claim 11, it is a method claim which repeats the same limitations of claim 1, the corresponding system claim, as a series of process steps as opposed to a collection of elements. Since the collective teaching of Clawson and Barber disclose the structural elements that constitute the system of claim 1, it is respectfully submitted that they perform the underlying process steps, as well. As such, the limitations of claim 11 are rejected for the same reasons given above for claim 1.

The motivation for incorporating the features of Barber within the system of Clawson is as given above in the rejection of claim 1, and is incorporated herein.

K. As per claim 12, as per the discussion for claims 2, 5, and 6, "a list of geographic areas is determined by the federal government" reads on ZIP codes.

### ***Conclusion***

Art Unit: 3626

4. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not applied prior art teaches a medical billing system comprising a list of geographical locations with associated codes for use in determining the bill for transportation to a clinical encounter location.

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Martin A. Gottschalk whose telephone number is 703-305-5356. The examiner can normally be reached on Mon - Fri 8:30 - 5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 703-305-9588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Application/Control Number: 10/007,642

Page 10

Art Unit: 3626

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12/03/04

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